

## Why Wait To Register? Trademark registrations are quickly becoming the only cost effective means to defend brands online

By *Brian P. Gregg*

Investing in a trademark registration is becoming the only effective means for defending a brand online at relatively modest costs. Business owners who do not own federal registration for their trademarks are seeing their ability to protect their marks on the Internet shrink at the same time opportunities for misuse or infringement of trademarks are expanding. Ask any trademark attorney why one should obtain a federal registration for a trademark, and the response will likely include a host of benefits. They will espouse the benefits of nationwide priority for the trademark, presumptive validity recognized by the courts, the right to use the ® designation and peace of mind in knowing that the mark has at least been vetted by the registration process. Those advantages alone are worth securing a trademark registration. Not sold yet? Are you or your clients still sliding trademark registrations down on a list of other priorities? Read on.

### The New Threats

Securing a trademark registration is now essential to cost effective protection of a brand on the Internet. As technology evolves, particularly as the Internet grows, new opportunities to use and misuse trademarks are surfacing. Internet entities like search engines, social media services and domain registrars offer their own policies and procedures to allow trademark owners to combat trademark misuse and trademark infringement. In most instances, having a registered trademark is the only means to take advantage of these policies and procedures, and even if not required, a registration significantly increases one's chances of defending a trademark. Current hotspots include:

- *New domains are here or are on the horizon.* The .XXX domain for adult-oriented content opened for business in December 2011, and new generic top level domains (gTLDs) are launching in 2012.
- *Internet keyword advertising.* Advertisements that appear above or to the right of search results and have an eerie way of tracking users' search terms.
- *Social media.* Social media represents a growing space for companies and individuals to compete with, praise, bash or otherwise discuss brands.

In each of these instances, and others, there is the potential for trademark misuse or infringement. Common questions include: Can a competitor use my trademark to re-direct people looking for my product? Who gets to use a mark with the latest domain? How do I keep my trademark from being used as a domain to host adult or other inappropriate content? Can I stop someone from using my trademark on Facebook or Pinterest?

### Objective Proof of Trademark Ownership

When a trademark dispute arises, a mechanism for resolving that dispute must be identified. Courts are available (sometimes), but a traditional lawsuit is often too slow and too expensive a remedy for an Internet-based dispute. More efficient and less costly alternative dispute resolution mechanisms are available. For .com and .net domain disputes, there is the Internet Corporation for Assigned Names and Numbers (ICANN) Uniform Dispute Resolution Procedure (UDRP). For some domains, individual registrars like the Canadian Internet Registration Authority (CIRA), in the case of .ca domains, offer domain-specific dispute resolution procedures.

For keyword advertising, the search engines (Google, Bing, etc.) offer ways to combat trademark infringement and unfair business practices. Facebook, Pinterest, Twitter and YouTube have their own policies for dealing with trademark infringement. In each case, owning a trademark registration may be indispensable in establishing protectable rights.

### Only Registered Trademarks can be Protected When New domains Launch

In some instances, such as when a new domain is ready to launch, only brand owners with registered trademarks are given the chance to preemptively defend their trademarks. Take ICM's .XXX registry. Prior to the launch of its .XXX domains, ICM offered a sunrise period when owners of registered trademarks (and only registered trademarks) were given the opportunity to block their mark from being taken as a .XXX domain. The cost to file was around \$200, and the registration block lasts for at least 10 years. In contrast, a defensive .XXX domain registration can cost \$100 per year and a brand owner's last resort, a domain dispute, can cost thousands. These costs are well in excess of trademark registration application fees, and the registration affords a suite of advantages including the chance to block domains that could harm a brand.

Likewise, trying to use traditional means, such as cease-and-desist letters or trademark litigation, to stop a competitor or third party from abusing a trademark through Internet advertising can cost tens or even hundreds of thousands of dollars. However, the owner of a registered mark can often file his or her own complaint with Google and obtain relief for a fraction of the cost and in a fraction of the time.

There is a common denominator to all of these dispute resolution mechanisms – *having a registered trademark makes it significantly more likely that a trademark owner can resolve a dispute favorably*. The reason is simple. Internet entities like ICANN, Facebook, Pinterest, Google and ICM are not in the business of determining whether the use of words or a design on goods or services affords the distributor any trademark rights; these entities are not judges or trademark professionals. Thus, their policies require objective proof of trademark rights, and the most objective proof of trademark rights one can offer is a registration certificate issued by the U.S. Patent and Trademark Office. For example, a trademark registration number is required to submit a complaint through Pinterest's trademark dispute complaint procedure. Thus, it may be difficult or impossible to take advantage of Pinterest's dispute resolution procedure without a trademark registration. In short, if a mark is registered, its owner can at least avail

him or herself of a dispute resolution mechanism; if not, that trademark owner faces an uphill climb or no recourse at all.

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